

0034



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangertter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

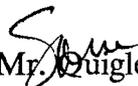
3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

January 6, 1992

Mr. Sam Quigley
Andalex Resources, Inc.
P. O. Box 902
Price, Utah 84501

Dear Mr.  Quigley:

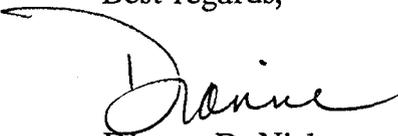
Re: Five-Year Permit Renewal, Andalex Resources, Inc., Centennial Project,
ACT/007/019, Folder #3, Carbon County, Utah

Enclosed is a renewed permanent program mining permit for the Centennial Project. The expiration date for this permit is January 5, 1997, five years from the expiration date of the original permit. Also, enclosed is a copy of the State's Decision Document for the permit renewal.

Please note that two copies of the permit are included. Please read the permit to be sure you understand the requirements of the permit and Stipulations, then have both copies signed and return one to the Division.

Thank you for your cooperation during the permitting process.

Best regards,


Dianne R. Nielson
Director

Attachments

cc: P. Rutledge, OSM
R. Hagen, OSM
L. Braxton, DOGM
B-Team

COVELETT.AND

UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT
for
PERMIT RENEWAL

Andalex Resources, Inc.
Centennial Project
ACT/007/019
Carbon County, Utah

January 3, 1992

CONTENTS

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- * Permitting Chronology
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 - Affidavit of Publication, November 21, 1991
 - Memo from Joseph C. Helfrich -- Section 510(c) finding
 - Memo from Paul Baker -- Technical Review, December 31, 1991
 - Memo from Priscilla Burton -- Technical Review, January 2, 1992

ADMINISTRATIVE OVERVIEW

Andalex Resources, Inc.
Centennial Project
Permit Renewal
ACT/007/019
Carbon County, Utah

January 3, 1992

BACKGROUND

Andalex Resources, Inc. (ARI) has made application to the Division of Oil Gas and Mining for a five year permit Renewal for the Centennial Project. This renewal encompasses the same permit area and disturbance as currently approved in the present permit.

The Mining and Reclamation Plan (MRP) for the Centennial Project was approved by the Office of Surface Mining in November of 1981 and by the Division of Oil, Gas and Mining (DOGGM) in January of 1982. The originally approved MRP consisted of 2,240 acres of private and federal coal leases. On May 20, 1986, ARI was issued a permit by DOGGM for a 120-acre federal emergency lease. On March 2, 1987, a new five-year permanent program permit was issued incorporating the emergency lease, for a total permitted acreage of 2,360 acres.

In October of 1981, Federal lease numbers U-010581, SL-063058 and SL-027304 were modified by the Bureau of Land Management to include an additional 436 acres. In March of 1988, ARI requested that these three lease modifications be incorporated into the permitted area. In August of 1988, ARI requested that one additional 320 acre federal lease (U-05067) and one 240 acre fee lease be added to the permitted area. The permit was revised to include these leases on May 4, 1989, which brought the total permitted acreage to 3358 acres. Again on April 8, 1991, a permit revision was approved which incorporated Federal Lease UTU-66060 also known as the Graves lease into the permit area. The addition of this 933 acre lease brought the total lease holdings to 4291 acres. This total combined with a 10 acre BLM right-of-way brings the total permit acreage to 4301 acres.

Currently ARI operates three mines, the Pinnacle, Apex and Aberdeen, in the Gilson, Lower Sunnyside and Aberdeen seams, respectively. A forth seam, the Centennial, is to be accessed through the Pinnacle mine by driving rockslopes from the Gilson seam.

ANALYSIS

No additional permit area or surface disturbance is being proposed with this permit renewal. No significant changes have occurred since the addition of the Graves Lease in April 1991. Therefore, it is DOGM's opinion that the mining and reclamation practices and procedures which were approved in the 1987 five-year permit and subsequent 1989 and 1991 revisions are acceptable during the next 5 year renewal period.

RECOMMENDATION

ARI has demonstrated that mining of the Centennial project can be done in conformance with the Surface Mining Control and Reclamation Act and the corresponding Utah Act and performance standards. Approval for permit renewal is recommended based on the current MRP with updated cross reference; a review of the current permit, including all conditions, amendments, and revisions approved to date; and conformance with criteria for approval of permit renewal applications (R645-303-230 thru 235) (see attached Permit Renewal Findings document). All issues raised during the review process which are pertinent to the term of renewal have been resolved, or will be attached as conditions to permit approval. No other issues were raised during the public comment period.

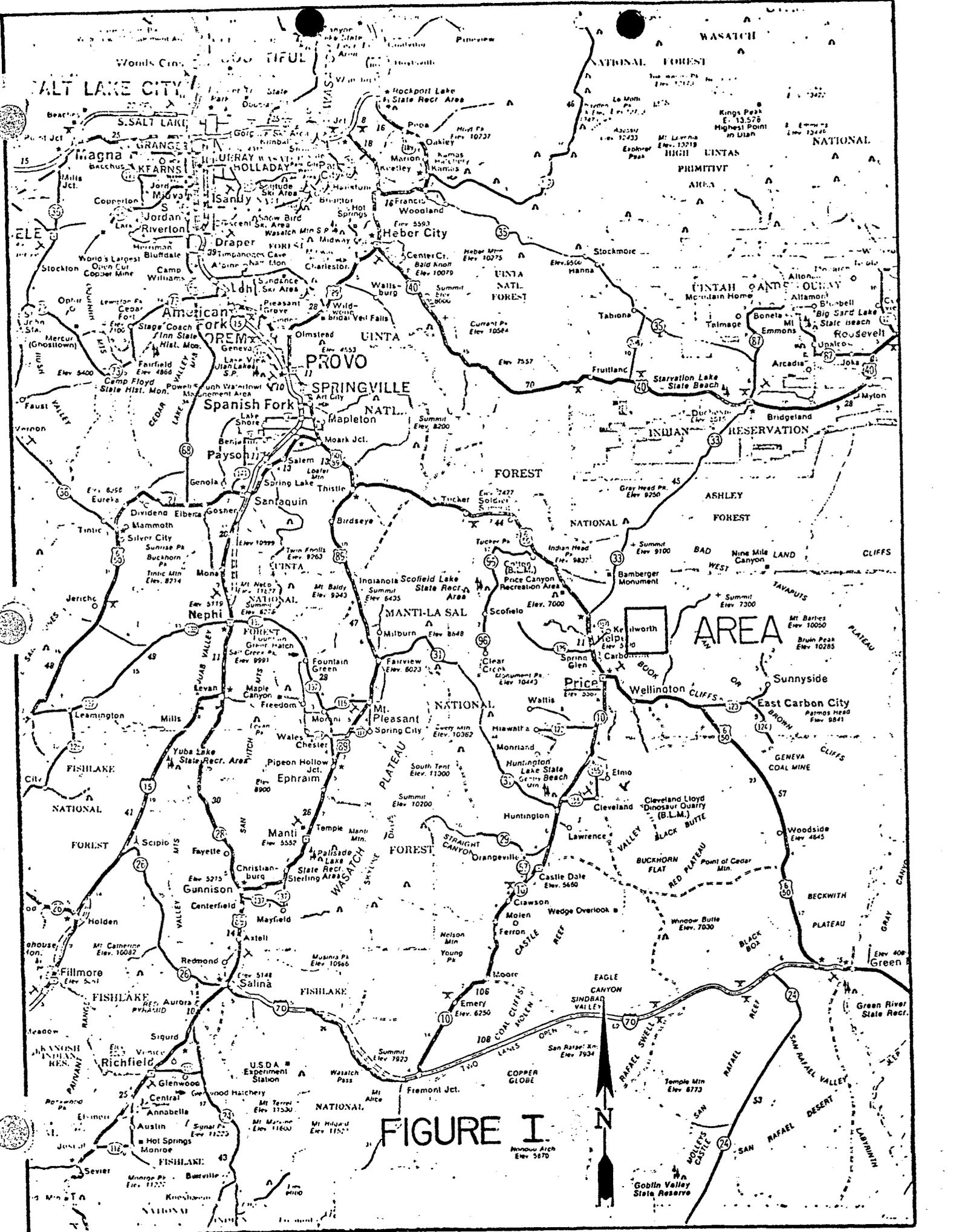


FIGURE I

PERMITTING CHRONOLOGY

Permit Renewal
Andalex Resources, Inc.
Centennial Project
ACT/007/019
Carbon County, Utah

- 09/24/91 DOGM issues NOV N91-39-9-1 for failure to submit an application for renewal at least 120 days prior to the expiration of the existing permit.
- 09/25/91 ARI submits application for permit renewal.
- 10/24/91 DOGM initial completeness review shows plans to be deficient. Additional information is requested.
- 10/29/91 ARI submits additional information. DOGM determines that the plan can now be considered administratively complete.
- 10/31/91 ARI publishes notice of intent to renew the Centennial Permit weekly for four consecutive weeks in the Price Sun Advocate.
- 11/07/91 DOGM notices other agencies of ARI's intent to renew the Centennial Permit.
- 12/17/91 DOGM sends the results of a technical review to ARI requiring the technical deficiencies to be corrected by December 31, 1991.
- 12/21/91 Comment period expires with no comments received.
- 12/31/91 ARI submits response to technical deficiency review.
- 01/03/92 DOGM issues renewed permit which will expire January 5, 1997.

<u>Coal Resource Data</u>	<u>Total Reserves</u>	<u>Total Recoverable Reserves</u>
Federal	_____	_____
State	_____	_____
Private	_____	_____
Other	_____	_____
TOTAL	<u>52.5 Millon Tons</u>	<u>33 Million Tons</u>

<u>Recoverable Reserve Data</u>	<u>Name</u>	<u>Thickness</u>	<u>Depth</u>
Seam	<u>Lower Sunnyside</u>	<u>4-6 ft.</u>	<u>0-1800 ft.</u>
Seam	<u>Centennial</u>	<u>5-7 ft.</u>	<u>800-2000 ft.</u>
Seam	<u>Gilson</u>	<u>4-8 ft.</u>	<u>0-2000 ft.</u>
Seam	<u>Aberdeen</u>	<u>4-13 ft.</u>	<u>0-2400 ft.</u>
Seam	_____	_____	_____
Seam	_____	_____	_____

Mine Life: 28 years

Average Annual Production: 1.5 Million Percent Recovery: 68%

Date Projected Annual Rate Reached: 1990

Date Production Begins: 1980 Date Production Ends: 2008

Reserves Recoverable By: (1) Surface Mining: _____
(2) Underground Mining: X

Reserves Lost Through Management Decisions: Unknown

Coal Market: Unknown

PERMIT RENEWAL FINDINGS

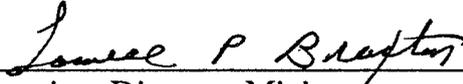
Andalex Resources, Inc.
Centennial Mines Project
ACT/007/019
Carbon County, Utah

January 3, 1992

1. The permit renewal term will not exceed the original permit term of five years (R645-303-234).
2. The terms and conditions of the existing permit are being satisfactorily met (R645-303-233.110).
3. The present underground coal mining activities are in compliance with the environmental protection standards of the Act and the Utah State Program (R645-303-233.120).
4. The requested renewal will not substantially jeopardize the operator's continuing responsibility to comply with the Act and the Utah State Program (R645-303-233.130).
5. The operator has provided evidence of having liability insurance (R645-303-233.140).
6. The operator has posted a reclamation surety in the required amount and has provided evidence that the surety will remain in full effect for the additional permit period. No additional surface disturbances are proposed at this time (R645-303-233.150).
7. The operator has submitted all updated information as required by the Division at this time (R645-233.160).



Permit Supervisor



Associate Director, Mining



Director
Division of Oil, Gas & Mining



Norman H. Bangerter
Governor
Max J. Evans
Director

State of Utah

Division of State History
(Utah State Historical Society)
Department of Community and Economic Development

300 Rio Grande
Salt Lake City, Utah 84101-1182
801-533-5755
FAX: 801-364-6436

November 15, 1991

Doran - wants to job

RECEIVED

NOV 19 1991

DIVISION OF
OIL GAS & MINING

Lowell P. Braxton
Associate Director, Mining
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

RE: Permit Renewal Application, Andalex Resources, Inc., Centennial Mines
Project, ACT/007/019, Folder #2, Carbon County, Utah

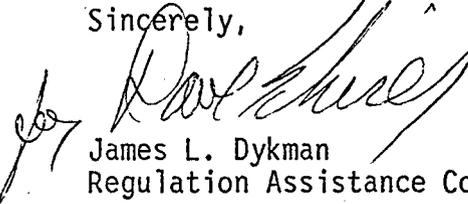
In Reply Please Refer to Case No. K439

Dear Mr. Braxton:

The Utah State Historic Preservation Office received information on the project referenced above on November 12, 1991. We understand this action requires no new ground disturbing activities. We have previously concurred with your recommendations for the project, and have no additional comment at this time. We appreciate being informed as to the progress of the project and will be adding this information to the case file.

This information is provided on request to assist the Division of Oil, Gas and Mining in identifying historic properties, as specified in 36 CFR 800, for Section 106 consultation procedures. If you have questions or need additional assistance, please contact me at (801) 533-7039.

Sincerely,

JLD


James L. Dykman
Regulation Assistance Coordinator

JLD:K439 OR

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Carbon,)

I, Dan Stockburger, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State and County aforesaid, and that a certain notice, a true copy of which is hereto attached, was published in the full issue of such newspaper for Four (4) consecutive issues, and that the first publication was on the

31st day of October, 1991

and that the last publication of such notice was in the issue of such newspaper dated the

21st day of November, 1991

Dan Stockburger

Subscribed and sworn to before me this

21st day of November, 1991

Linda May
Notary Public

My Commission expires January 10, 1995

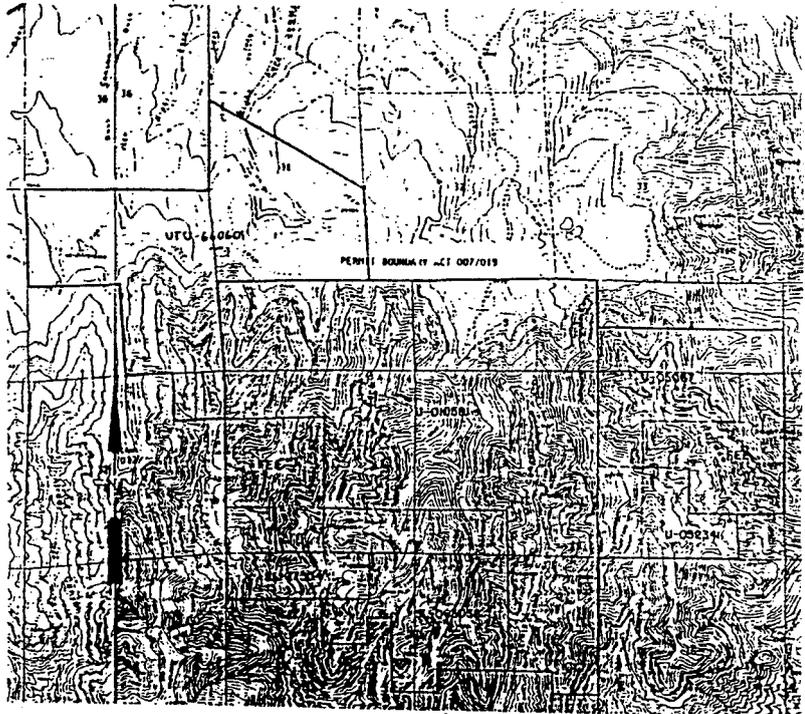
Residing at Price, Utah

Publication fee, \$ 136.80

NOTICE

Andalex Resources Inc., P.O. Box 902, Price, Utah has filed an application for a five-year permit renewal (ACT 007/019) for its Centennial Mines with the Utah Division of Oil, Gas and Mining. The permit area, as shown on the map below, is located on U.S. Geological Survey 7.5 minute quadrangle maps as follows:

Township 13 South, Range 11 East, SLBM, Section 4: S 1/2, Section 5: All, Section 6: All, Section 7: All, Section 8: All, Section 9: All but SE 1/4 SE 1/4, Section 17: N 1/2, NE 1/4 SE 1/4, N 1/2 NW 1/4 SE 1/4, N 1/2 NE 1/4 SW 1/4, NE 1/4 NW 1/4 SW 1/4, W 1/2 NW 1/4 SW 1/4, Section 18: N 1/2 N 1/2, SW 1/4 NE 1/4, NW 1/4 SE 1/4 NE 1/4, E 1/2 SE 1/4 NE 1/4, E 1/2 NE 1/4 SE 1/4
Township 13 South, Range 10 East, SLBM, Section 1: Lots 1-8, S 1/2 N 1/2, Section 12: Lot 1
Township 12 South, Range 11 East, SLBM, Section 31: Lots 3-6 and Lots 13-22



Copies of the application for this permit are available for inspection at:

Carbon County Recorders Office, 120 East Main, County Courthouse, Price, UT 84501.

Division of Oil, Gas & Mining, 355 West North Temple, 3 Triad Center, Suite 350, Salt Lake City, UT 84180-1203.

Written comments, objections or requests for informal conferences on the application should be addressed to the Division of Oil, Gas and Mining at the above address.

Published in the Sun Advocate October 31, November 7, 14 and 21, 1991.



State of Utah

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Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

January 4, 1992

TO: Daron R. Haddock, Permit Supervisor

FROM: Joseph C. Helfrich, Regulatory Program Coordinator *JCH*

RE: Compliance Review for Section 510(c) Findings, Andalex Resources/
Tower Division, Pinnacle Mine, ACT/007/019, Folder #5, Carbon County,
Utah

As of the writing of this letter, there are no NOV's or CO's which are not corrected or in the process of being corrected. Any NOV's or CO's that are outstanding are in the process of administrative or judicial review. There are no finalized Civil Penalties which are outstanding and overdue in the name of Andalex Resources/Tower Division.

Finally, they do not have a demonstrated pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

jbe
A:\510(C)

01.07

TO: Joe Helfrich, AVS Representative, UT

FROM: AVS Office

SUBJECT: OSM Recommendation

DATE: January 7, 1992

Pending Applications ACT007019 and ACT007033, ANDALEX RESOURCES INC., have been researched, and the OSM recommendation is ISSUE. Kentucky state violations CO 021409 and CO 031876 have been resolved. The AVS database will be updated to reflect the current status.

CC: Gary Fritz, Albuquerque Field Office
Richard Smith, TVA

DOC ID 20:DOI370068:08621]

SIZE for 152G22 10:13 MST 07-Jan-92 Message 846-207 [64]

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State of Utah

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DIVISION OF OIL, GAS AND MINING

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355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

TO: Daron Haddock, Permit Supervisor
FROM: Paul Baker, Reclamation Biologist *PB*
DATE: December 31, 1991
RE: Permit Renewal Application, Land Use and Air Quality Sections, Andalex Resources, Inc., Centennial Project, ACT/007/019, Carbon County, Utah

SUMMARY

Very few problems were encountered in a review of this section of Andalex's permit renewal application. There are some changes that need to be made in the cross reference, and Andalex needs to obtain written comments concerning the proposed use by legal or equitable owners of record of the surface of the permit area and Utah and local government agencies which would have to initiate, implement, approve or authorize the proposed use of the land following reclamation.

ANALYSIS

R614-301-411. Environmental Description

Applicant's Proposal:

The historic use of the land has been for coal mining, grazing, and for recreation and wildlife. Grazing has been limited primarily to the canyon bottoms and the extreme tops because of the roughness of the terrain.

Coal mines were begun in the area in the 1920's. There were three mines in the lease area. These were the Zion, Olsen, and Sutton (Blue Flame) Mines which produced 240,000, 18,000, and between 216,000 and 720,000 tons of coal respectively. Production was from the Gilson and Aberdeen seams.

The permit and adjacent areas are zoned by Carbon County for mining and grazing.

The application contains the results of two archaeological surveys in Appendix C. The first was performed in 1976, and the second study was performed in 1980 under the direction of the Assistant Utah State Archaeologist. No prehistoric sites were identified; nearly all sites identified were associated with historic mining operations. Two sites were identified which should be protected, and these were both in Straight Canyon. One was the ruins of a log cabin, and the other was a rock with "J A Peterson May 11, 1901" pecked in.

Page 2.
December 31, 1991.
ACT/007/019.

There are no cemeteries, no lands within the boundaries of the National System of Trails or the Wild and Scenic Rivers System, no public parks, and no cultural or historical sites eligible for listing in the National Register of Historic Places within the permit area.

Correspondence from the Division of State History to the Bureau of Land Management states that necessary BLM forms have been distributed to the Price area office and to the Utah State office. This correspondence also states that an Historic Archaeologist determined that the sites would not impede development.

Analysis:

The plan contains a statement that for recreational purposes, the land is only suitable for deer hunting. Although deer hunting is probably the predominant recreational use, the area can also be used for hiking, rock climbing, photography, wildlife viewing, and other recreational activities.

The cross reference says that the cultural and historic resources information is provided in Appendix A, but the two reports discussed above are in Appendix C. The Division of State History has provided a letter concerning the renewal stating that they have no additional comments on the project.

The two historic archaeological sites identified in the 1980 archaeological survey are not in areas that are likely to be disturbed, but if disturbance is to occur in the area, these sites must be avoided or appropriate mitigative actions taken after consultation with the Division of State History. Since this area is not now proposed for surface disturbance and since the only effects from mining would be through subsidence which is highly unlikely, no commitment is presently required.

Although no prehistoric archaeological sites were found, June 15, 1988, correspondence from the Division of State History indicates that there is a potential of finding rock shelters and rock art. If found, these must be reported to the Division of State History.

Compliance:

The applicant is not in compliance with this section.

The statement that deer hunting is the only suitable recreational use must be deleted, and other possible uses must be included.

The cross reference must be corrected to give the correct appendix reference for the archaeological studies.

Any prehistoric or historic archaeological sites that have not been identified that are found must be reported to the Division of State History.

Page 4.
December 31, 1991.
ACT/007/019.

RECOMMENDATIONS

The following stipulations should be included with the permit:

Stipulation R614-301-411.-PBB

By February 4, 1991, Andalex must correct the plan to include recreational uses other than deer hunting for which the permit area is suited and correct the cross reference to give the correct appendix for archaeological studies.

Stipulation R614-301-412.-PBB

By March 5, 1991, Andalex must furnish copies of comments concerning the proposed post-mining land uses by the legal or equitable owners of record of the surface of the proposed permit area and Utah and local government agencies which would have to initiate, implement, approve, or authorize the proposed use of the land following reclamation. These must be insertable into the plan, and the text and the cross reference must be updated to cite these comments.

Stipulation R614-301-413.-PBB

By February 4, 1991, Andalex must correct the cross reference under sections R614-301-413.310. and -320. which contain criteria for alternative postmining land uses.



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Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

TO: Daron Haddock, Permit Supervisor
FROM:  Priscilla Burton, Reclamation Specialist
DATE: January 2, 1992
RE: PERMIT RENEWAL, TECHNICAL DEFICIENCIES. CENTENNIAL MINE.
ANDALEX RESOURCES. ACT/007/019. CARBON COUNTY. UTAH.
FOLDER #2.

SUMMARY:

The Soils section of Andalex Resource's Centennial Mine Plan requires some updating. The plan received on September 14, 1990 does not record events that have transpired since the original mine plan was written. i.e., records of waste-rock sampling, records of roof and floor sampling. The mine will have a deficiency of topsoil upon reclamation. Testplots on substitute topsoil medium were referred to in the plan, but no observations have been presented with this submittal.

TECHNICAL DEFICIENCIES:

R645-301-224. Substitute Topsoil. Where the applicant proposes to use selected overburden materials as a supplement or substitute for topsoil, the application will include results of analyses, trials, and tests as described under R614-301-232.100 through R614-301-232.600, R614-301-234, R614-301-242, and R614-301-243. The Division may also require the results of field-site trials or greenhouse tests as required under R614-301-233.

Applicant's Proposal:

On page 114 of the MRP, there is a discussion of test plot locations for substitute topsoil. The reader is referred to Plate 7. Page 74, sec 2.2 also refers to the "new substitute topsoil pile plan." Sediment control for the area is discussed here.

Technical Analysis:

Plate 7 does not show the location of the substitute topsoil pile. Plate 6 does not show this location either. There is no

summary of evaluation or observations of the test plots on the substitute topsoil.

Stipulation R645-301-224 (PWB):

On or before February 29, 1992, revise Plate 7 to indicate the location of the substitute topsoil storage, provide the Division with the amount of substitute material located in the storage pile, with copies of the design, implementation and evaluation of test trials, and with the results of analyses performed on the substitute topsoil medium.

230. Operation Plan.

231.300. Testing plan for evaluating the results of topsoil handling and reclamation procedures related to revegetation; and

231.400. Narrative that describes the construction, modification, use and maintenance of topsoil handling and storage areas.

Applicant's Proposal:

Topsoil storage areas are shown on Plate 6 and are outlined on page 114. Plates 36 and 37 provide volumes for each of the topsoil piles, except storage pile J.

Technical Deficiency:

The plan describes six topsoil storage areas on page 114: A, B, C, F, G, J. Plate 6 shows all topsoil storage areas except storage area B (approximately 13,000 cubic ft of soil). It is possible that storage pile B was added to an existing storage pile (perhaps G?). If this is the case, the narrative must be updated on page 114.

Stipulation R645-301-231.400 (PWB):

On or before February 29, 1992, Plate six will be amended to show the location of topsoil storage area B and the MRP will be amended on page 114 to state the location of topsoil storage area B as well.

232.200. Where the topsoil is of insufficient quantity or poor quality for sustaining vegetation, the materials approved by the Division in accordance with R614-301-233.100 will be removed as a separate layer from the area to be disturbed, and segregated.

Applicant's Proposal:

Page 114 of the MRP indicates that the substitute topsoil is

Jan 3, 1992
Technical Deficiency
Renewal ACT/007/019
P Burton
Page 3

located in a pad in the area of the shop at the APEX mine.

Technical Deficiencies:

The storage of substitute topsoil material in a facilities pad is unacceptable.

Stipulation R645-301-232.200 (PWB):

On or before February 29, 1992, provide the Division with the location of the substitute topsoil and place a sign on the storage area so that it will be protected.

- 120. Permit Application Format and Contents.
- 121. The permit application will:
 - 121.100. Contain current information, as required by R614-200, R614-300, R614-301 and R614-302.
- 122. If used in the permit application, referenced materials will either be provided to the Division by the applicant or be readily available to the Division. If provided, relevant portions of referenced published materials will be presented briefly and concisely in the application by photocopying or abstracting and with explicit citations.

Applicant's Proposal:

On page 193 of the plan, there is a brief description of the Spill Prevention Control and Countermeasure Plan. Listed as a countermeasure is adherence to the local requirements for the treatment of oil and fuel contaminated soils.

Technical Deficiencies:

Please provide concise plans for the treatment of oil and fuel contaminated soils as required by the locality. The SPCC plan required by Federal law is mentioned, but not included for review.

Stipulation R645-301-122 (PWB):

On or before February 29, provide the Division with an update to page 193, providing a clear and concise plan for the treatment of oil and fuel contaminated soils and include a notarized copy of the Spill Prevention Control and Countermeasure plan as an appendix to the MRP.

Jan 3, 1992
Technical Deficiency
Renewal ACT/007/019
P Burton
Page 4

528.350. The permit application will include a description of measures to be employed to ensure that all debris, acid-forming and toxic-forming materials, and materials constituting a fire hazard are disposed of in accordance with R614-301-528.330, R614-301-537.200, R614-301-542.740, R614-301-553.100 through R614-301-553.600, R614-301-553.900, and R614-301-747 and a description of the contingency plans which have been developed to preclude sustained combustion of such materials; and

Applicant's Proposal:

Page 43 of the MRP states that roof and floor samples will be provided in Appendix E for all seams mined. Page 192 of the MRP states that mid-seams of all four coal seams will be analyzed on an annual basis.

Technical Deficiencies:

Sampling of the roof and floor of the Centennial seam cannot be found in Appendix E. Results of the annual sampling of the roof and floor of current mining area must be included in the MRP.

Stipulation R645-301-528.350 (PWB):

On or before February 29, 1992, update Appendix E to include sampling of the roof and floor of the Centennial seam and include recent sampling of roof and floor from active mine locations for all four seams.

- 528.340. Underground Development Waste. For the purposes of UNDERGROUND COAL MINING AND RECLAMATION ACTIVITIES the permit application must include a description of the proposed disposal methods for placing underground development waste and excess spoil generated at surface areas affected by surface operations and facilities according to R614-301-211, R614-301-212, R614-301-412.300, R614-301-512.210, R614-301-512.220, R614-301-514.100, R614-301-528.310, R614-301-535.100 through R614-301-535.130, R614-301-535.300 through R614-301-535.500, R614-536.300, R614-301-536.600, R614-301-542.720, R614-301-553.240, R614-301-745.100, R614-301-745.300, and R614-301-745.400.
- 536.500. Disposal of Coal Mine Waste in Special Areas.

Jan 3, 1992
Technical Deficiency
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P Burton
Page 5

- 536.510. Coal mine waste materials from activities located outside a permit area may be disposed of in the permit area only if approved by the Division. Approval will be based upon a showing that such disposal will be in accordance with R614-301-512.230, R614-301-515.200, R614-301-528.320, R614-301-536 through R614-301-536.200, R614-301-536.500, R614-301-542.730, and R614-301-746.100.
- 536.300. Coal mine waste may be disposed of in excess spoil fills if approved by the Division and, if such waste is:
- 536.310. Placed in accordance with applicable portions of R614-301-210, R614-301-513.400, R614-301-514.200, R614-301-528.322, R614-301-536.900, R614-301-553.250, and R614-301-746.200;
- 536.320. Nontoxic and nonacid forming; and

Applicant's Proposal:

Pages 191 and 192 of the MRP discuss the disposal of underground development waste. Rock which is associated with lump coal is being taken to the applicant's WildCat Loadout (ACT/007/033).

Technical Deficiency:

In correspondence relating to the mid-term review of ACT/007/033, the applicant was found to be deficient in providing the Division with analyses as described on page 23 of the ACT/007/033 plan.

Stipulation R645-301-536.300 to 320 (PWB):

On or before February 29, 1992, provide the Division with copies of the analyses as requested by H. Sauer in correspondence dated 11/22/91, and provide an appendix to the ACT/007/019 plan which summarizes the operation and reclamation plan for the waste stored at Wild Cat.

xc: H Sauer

H:\bteam\Centenni.TD
A:\Centenni.TD

RECOMMENDATIONS FOR STIPULATIONS ON THE
CENTENNIAL PERMIT ACT/007/019
PRISCILLA BURTON, RECLAMATION SPECIALIST
JANUARY 2, 1992

Stipulation R645-301-224 (PWB):

On or before February 29, 1992, revise Plate 7 of the Mining and Reclamation Plan to indicate the location of all substitute topsoil storage; and, revise the mining and reclamation plan to provide the Division with 1) the yardage of all substitute topsoil located in storage areas 2) copies of the design, implementation and evaluation of test trials on the substitute topsoil, and 3) the results of analyses performed on the substitute topsoil medium.

Stipulation R645-301-231.400 (PWB):

On or before February 29, 1992, Plate 6 of the Mining and Reclamation Plan will be amended to show the location of topsoil storage area B; and, the MRP will be amended on page 114 to state the location of topsoil storage area B as well.

Stipulation R645-301-232.200 (PWB):

On or before February 29, 1992, inform the Division of the location of the substitute topsoil (see stipulation R645-301-224, above) and place a sign on the substitute topsoil storage area so that it will be protected.

Stipulation R645-301-122 (PWB):

On or before February 29, provide the Division with an update to page 193 of the Mining and Reclamation Plan, providing a clear and concise plan for the treatment of oil and fuel contaminated soils; and, include a notarized copy of the Spill Prevention Control and Countermeasure plan as an additional appendix to the MRP.

Stipulation R645-301-528.350 (PWB):

On or before February 29, 1992, update Appendix E of the Mining and Reclamation Plan to include sampling of the roof and floor of the Centennial seam; and, provide in Appendix E, the results of recent sampling of roof and floor from active mine locations for all four seams.

Stipulation R645-301-536.300 to 320 (PWB):

On or before February 29, 1992, provide the Division with copies of the analyses which are referred to on page 23 of ACT/007/033 Mining and Reclamation plan for the waste rock located at Wild Cat Loadout; and, provide an appendix to the ACT/007/019 plan which includes these analyses, which summarizes the operation and reclamation plan for the waste stored at Wild Cat, and which provides an accounting of the bond for the reclamation of the waste stored at Wild Cat Loadout.

FEDERAL

Permit Number ACT/007/019, January 5, 1992

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

This permit, ACT/007/019, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOGM) to:

Andalex Resources, Inc.
P. O. Box 902
Price, Utah 84501
(801) 637-5383

for the Centennial Project. Andalex Resources Inc. is the lessee of federal coal leases SL-027304, SL-063058, U-010581, U-05067, U-52341 and UTU-66060, and the lessee of fee-owned parcels, Zion's fee lease and the Sunedco fee lease. A performance bond is filed with the DOGM in the amount of \$1,080,839.00, payable to the state of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSMRE). DOGM must receive a copy of this permit signed and dated by the permittee.

- Sec. 1 STATUTES AND REGULATIONS - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.
- Sec. 2 PERMIT AREA - The permittee is authorized to conduct underground coal mining activities on the following described lands (as shown on the map appended as Attachment B) within the permit area at the Centennial Mines Complex situated in the state of Utah, Carbon County, and located:

Township 13 South, Range 11 East, SLBM

- Section 4: S 1/2
Section 5: All
Section 6: All
Section 7: All
Section 8: All
Section 9: All but SE 1/4 SE 1/4
Section 17: N 1/2, NE 1/4 SE 1/4, N 1/2 NW 1/4 SE 1/4, N 1/2 NE 1/4 SW 1/4, NE 1/4 NW 1/4 SW 1/4, W 1/2 NW 1/4 SW 1/4
Section 18: N 1/2 N 1/2, SW 1/4 NE 1/4, NW 1/4 SE 1/4 NE 1/4, E 1/2 SE 1/4 NE 1/4, E 1/2 NE 1/4 SE 1/4

Township 13 South, Range 10 East, SLBM

Section 1: Lots 1-8, S 1/2 N 1/2,

Section 12: Lot 1

Township 12 South, Range 11 East, SLBM

Section 31: Lots 3-6 and Lots 13-22

This legal description is for the permit area (as shown on Attachment B) of the Centennial Mines Complex. The permittee is authorized to conduct underground coal mining activities connected with mining on the foregoing described property subject to the conditions of the leases, the approved mining plan, including all conditions and all other applicable conditions, laws and regulations.

- Sec. 3 PERMIT TERM - This revised permit is effective on January 5, 1992 and expires on January 5, 1997.
- Sec. 4 ASSIGNMENT OF PERMIT RIGHTS - The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13(e) and R645-303.
- Sec. 5 RIGHT OF ENTRY - The permittee shall allow the authorized representative of the DOGM, including but not limited to inspectors, and representatives of OSMRE, without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:
- A. have the rights of entry provided for in 30 CFR 840.12, R645-400-110, 30 CFR 842.13 and R645-400-220; and,
 - B. be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 , R645-400-200 and 30 CFR 842, when the inspection is in response to an alleged violation reported by the private person.
- Sec. 6 SCOPE OF OPERATIONS - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the mining and reclamation plan and permit application and approved for the term of the permit and which are subject to the performance bond.

- Sec. 7 ENVIRONMENTAL IMPACTS - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:
- A. accelerated monitoring to determine the nature and extent of noncompliance and the results of the noncompliance;
 - B. immediate implementation of measures necessary to comply; and
 - C. warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.
- Sec. 8 DISPOSAL OF POLLUTANTS - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.
- Sec. 9 CONDUCT OF OPERATIONS - The permittee shall conduct its operations:
- A. in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
 - B. utilizing methods specified as conditions of the permit by DOGM in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 10 AUTHORIZED AGENT - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.
- Sec. 11 COMPLIANCE WITH OTHER LAWS - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq,) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.
- Sec. 12 PERMIT RENEWAL - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 13 CULTURAL RESOURCES - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify DOGM. DOGM, after coordination with OSMRE, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by DOGM within the time frame specified by DOGM.

Sec. 14 APPEALS - The permittee shall have the right to appeal as provided for under R645-300.

Sec. 15 SPECIAL CONDITIONS - In addition to the general obligations and/or requirements set out in the leases, the federal mining plan approval, and this permit, the permittee shall comply with the special conditions appended hereto as Attachment A.

The above conditions (Secs. 1-15) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of DOGM and the permittee at any time to adjust to changed conditions or to correct an oversight. DOGM may amend these conditions at any time without the consent of the permittee in order to make them consistent with any new federal or state statutes and any new regulations.

~~THE STATE OF UTAH~~

By: _____

Dean R. Nelson

Date: _____

1-6-92

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

Authorized Representative of
the Permittee

Date: _____

ATTACHMENT A

STIPULATIONS
Permit Renewal
ANDALEX RESOURCES INC.
Centennial Mines Complex
ACT/007/019
Carbon County, Utah

January 3, 1992

Stipulation R645-301-411 (PBB)

By February 4, 1992, Andalex must correct the plan to include recreational uses other than deer hunting for which the permit area is suited and correct the cross reference to give the correct appendix for archaeological studies.

Stipulation R645-301-412 (PBB)

By March 5, 1992, Andalex must furnish copies of comments concerning the proposed post-mining land uses by the legal or equitable owners of record of the surface of the proposed permit area and Utah and local government agencies which would have to initiate, implement, approve, or authorize the proposed use of the land following reclamation. These must be insertable into the plan, and the text and the cross reference must be updated to cite these comments.

Stipulation R645-301-413 (PBB)

By February 4, 1992, Andalex must correct the cross reference under sections R645-301-413.310 and -320 which contain criteria for alternative postmining land uses.

Stipulation R645-301-121 (DRH)

By no later than the mid-term of this permit (July 5, 1994), Andalex Resources Incorporated will supply an updated and reformatted Mining and Reclamation Plan which incorporates the new R645 regulations.

Stipulation R645-301-224 (PWB)

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Page 2
Attachment A
Stipulations
January 3, 1992

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T12S
T13S

R10E
R11E

PERMIT BOUNDARY

SCALE: 1"=2400'

T12E
T13E

U-010581

MINING PLAN
APPROVAL AREA

Attachment B
MINING PLAN APPROVAL AREA MAP
Centennial Project Mine
Carbon County, Utah

UTU-66066

U-05067

FEE

APEX MINE PORTAL & SURFACE FACILITIES

FEE

PINNACLE MINE PORTAL & SURFACE FACILITIES

U-052341

SL-027304

ANDALEX RESOURCES, INC. ADMINISTRATIVE OFFICE
ABERDEEN MINE PORTAL & SUPPORT FACILITIES

SL-063058

B.L.M. RIGHT-OF-WAY 1-62045

R10E
R11E

